



## E-NEWS from *Congresswoman Jennifer Dunn*

**An electronic legislative update for June 19, 2002**

### Did you know?

Women, on average live nearly 7 years longer than men.

Women are more likely to suffer from chronic medical conditions such as arthritis, diabetes, osteoporosis and hypertension.

Older women are twice as likely as older men to have incomes below \$10,000 a year.

Women account for over two-thirds of Medicare beneficiaries with annual incomes below the poverty level.



Chairman of the House Ways and Means Committee Bill Thomas and Jennifer held a press briefing on Monday, June 17 to unveil details of the “*Medicare Modernization and Prescription Drug Act of 2002.*” Jennifer co-authored the bill that will create a Medicare prescription drug benefit and increase payments to doctors, hospitals and home health care agencies.

### What is going on this week?

#### **US REP JENNIFER DUNN, CHAIRMAN BILL THOMAS UNVEIL PRESCRIPTION DRUG BILL**

Congresswoman Jennifer Dunn and Ways and Means Chairman Bill Thomas yesterday unveiled details of the “Medicare Modernization and Prescription Drug Act of 2002.” The bill is co-authored by Jennifer, who sits on the Ways and Means Health Subcommittee. The bill proposes to spend \$350 billion over 10 years to create a prescription drug benefit for all seniors, with additional assistance provided to low income seniors, and it increases Medicare payments to doctors, hospitals, and health plans. The bill will increase access to affordable health care for all seniors. (See *summary of legislation below*) The House Ways and Means Committee has begun considering the bill and the House is expected to vote on it next week.

## **HOUSE TO CONSIDER SOCIAL SECURITY PROGRAM PROTECTION ACT OF 2002**

The US House is scheduled to consider a bill to protect the nearly 7 million recipients of Social Security and Supplemental Security Income (SSI) who are unable to manage their own financial affairs. The legislation aims to reduce fraud committed by those who have power of attorney over Social Security and SSI recipients by strengthening oversight by the Social Security Administration. It also calls for tougher standards for those who oversee the financial affairs of these individuals. In addition, the bill will allow the recovery of misused benefits through a payment recovery process.

## **HOUSE PASSES FINAL VERSION OF THE SMALL BUSINESS PAPERWORK RELIEF ACT**

The final version of the "Small Business Paperwork Relief Act" has passed the US House. The bill requires each agency to establish one point of contact to act as a liaison between small businesses and the agency regarding paperwork requirements, and it requires each agency to make further efforts to reduce paperwork for small businesses with fewer than 25 employees. The Office of Management and Budget estimated that in 1998, the American people spent over seven billion hours filling out forms and compiling records for the federal government. For firms with fewer than 20 employees, paperwork regulations cost small businesses an average of \$2,017 per employee, per year. A similar bill passed both the House and Senate last spring. This bill is the final version and incorporates minor changes between the House and Senate versions. The President is expected to sign the bill within the next couple of weeks.

## **US HOUSE TO CONSIDER BILL TO CREATE SPECIAL COMMITTEE ON HOMELAND SECURITY DEPARTMENT**

The US House is scheduled to vote on a resolution that creates a special, temporary committee that focuses on the creation of a new Department of Homeland Security. The new Department was recently proposed by President Bush and would enhance homeland security by merging several agencies into one new department. The House Committee is expected to be led by House Majority Leader Dick Armey and be comprised of 5 Republican and 4 Democrat Members.

# What we did last week:

## **HOUSE APPROVES BILL TO PERMANENTLY REPEAL MARRIAGE PENALTY TAX**

The US House has passed a bill to make permanent the recently approved repeal of the marriage penalty tax. As part of the Economic Growth and Tax Relief Reconciliation Act of 2001 signed into law last year, it repeals the provision in the tax code that requires millions of married couples to pay higher income taxes just because they are married. Similar to all provisions of that law, however, the repeal of the marriage penalty tax expires on December 31, 2010. The marriage penalty tax repeal increases the standard deduction for married couples to twice the deduction for single taxpayers and it expands the 15 percent tax bracket so that more married couples pay taxes under this rate rather than the higher 28 percent bracket.

## **THE HOUSE PASSES THE CONSUMER PRODUCT PROTECTION ACT OF 2001**

The US House has a bill to criminalize the unauthorized placement of any written material in consumer product packages before their sale to customers. Over the past few years, adults and children throughout the country have been subjected to violent, racist and obscene material placed in consumer products such as cereal boxes or macaroni and cheese boxes. Kraft Foods has reported over 100 incidents in the past 5 years. Under current federal law, however, tampering with the product's packaging is not illegal. The Consumer Product Protection Act of 2002 prohibits the placement of any writing or other material inside a consumer product without the permission of the manufacturer, retailer or distributor.

## **THE US HOUSE REJECTS THE TAX LIMITATION CONSTITUTIONAL AMENDMENT**

In a vote of 227 to 178, the US House rejected a bill to amend the US Constitution to require that two-thirds of the House and Senate approve any legislation that changes internal revenue laws, with the exception of when the nation is at war. Currently, 14 states have tax limitation provisions. While the bill received a majority of House Members voting in favor of the bill, a constitutional amendment requires a 2/3 majority for passage. Congresswoman Dunn voted in support of the bill.

# Summary of Press Releases:

## **HOUSE APPROVES PERMANENT REPEAL OF THE MARRIAGE PENALTY TAX; *More than 559,000 Washington State Couples to Benefit***

The US House has approved by a vote of 271-142 a bill to make permanent the recently enacted repeal of the marriage penalty tax. More than 559,000 Washington State married couples currently benefit from the marriage penalty tax repeal that was passed into law last year as part of the Economic Growth and Tax Relief Reconciliation Act of 2001. Similar to all other tax relief provisions of the bill, however, an arcane Senate rule will cause the marriage penalty tax repeal to expire on December 31, 2010. It is estimated that 20 million couples nationwide pay an average of \$1,400 more in taxes simply because they are married. Jennifer said, “*It is ridiculous for the IRS to impose a tax on marriage. But that is exactly what the marriage penalty tax does. Aside from its unfairness, it places unnecessary financial burdens on young couples trying to build their lives together.*”

## **A SUMMARY OF THE HOUSE REPUBLICAN “MEDICARE MODERNIZATION AND PRESCRIPTION DRUG ACT” IS AS FOLLOWS:**

- It creates a voluntary prescription drug benefit for all seniors.
- The annual deductible will be \$250 with a \$1 a day premium. The premium, deductible and co-payments will be reduced or eliminated for low-income seniors.
- Medicare will pay 80 percent of prescriptions between \$251 and \$1,000 a year on drugs and 50 percent for \$1,001 and \$2,000. (Two thirds of seniors spend less than \$2,000 a year on prescription drugs.)
- Medicare will also pay 100 percent of the cost of drugs for seniors who spend more than \$3,800 a year on drugs.
- The cost of drugs will be lowered by up to 30 percent for all seniors because the government will purchase drugs in bulk and pass the savings along to patients.
- The bill will modernize Medicare by increasing payments to doctors, hospitals and health care plans. For Washington State, this means an increase of nearly \$450 million over the next several years.